

Village Of Junction City, Louisiana

*Financial Statements
For The Year Ended June 30, 2023*



Village Of Junction City, Louisiana
Table of Contents
For the Year Ended June 30, 2023

	<u>Page</u>
Independent Accountants' Review Report	1-2
Management's Discussion and Analysis	3-10
Basic Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds	13
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	14
Statement of Net Position – Proprietary Funds	15
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	16
Statement of Cash Flows – Proprietary Funds	17
Notes to Financial Statements	18-28
Required Supplementary Information:	
Budgetary Comparison Schedule-General Fund	29
Notes to Budgetary Comparison Schedule	30
Other Information:	
Independent Accountants' Report on Applying Agreed-upon Procedures	31-34
Louisiana Attestation Questionnaire	35-37
Schedule of Findings and Responses	38-39
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head	40
Act 87 Justice System Funding Schedule – Collecting/ Disbursing Entity	41

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Village of Junction City, Louisiana
Junction City, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Junction City, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Village of Junction City, Louisiana and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The accompanying schedule of compensation, reimbursements, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

The accompanying justice system funding schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with the reporting framework prescribed by Louisiana Revised Statute 24:515.2 and the Louisiana Legislative Auditor. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 10 and pages 29 through 30, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the representation of management. We have not audited or reviewed such required supplementary information, and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

Cameron Hines & Company (APAC)

March 22, 2024
West Monroe, Louisiana

**Village Of Junction City, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2023**

Our discussion and analysis of the Village of Junction City, Louisiana provides an overview of the Village's activities for the year ended June 30, 2023. Please read it in conjunction with the basic financial statements. The intent of this discussion and analysis is to look at the Village's financial performance as a whole.

FINANCIAL HIGHLIGHTS

- The assets of the Village of Junction City, on a government-wide basis, exceeded its liabilities at June 30, 2023 by \$2,235,496. Of this amount, \$886,011 is unrestricted. Assets exceeded liabilities by \$2,217,480 at June 30, 2022. Of this amount, \$801,996 was unrestricted.
- The Village's total net position increased by \$18,016 for the fiscal year ended June 30, 2023. This is a result of a \$38,905 increase in governmental net position and a \$20,889 decrease in business-type net position. The Village's total net position increased by \$3,873 for the fiscal year ended June 30, 2022. This is a result of a \$24,409 increase in governmental net position and a \$20,536 decrease in business-type net position.
- The Village's governmental activities reported combined ending net position at June 30, 2023 of \$973,509. Unrestricted net position accounts for \$834,915. The Village's governmental activities reported combined ending net position at June 30, 2022 of \$934,604. Unrestricted net position accounts for \$784,663.
- The unassigned fund balance of the general fund was \$834,915 at June 30, 2023, or 646% of the total general fund expenditures. The unassigned fund balance of the general fund was \$784,663 at June 30, 2022, or 555% of the total general fund expenditures.
- The general fund reported revenues over expenditures of \$50,252 and \$38,027 for the years ended June 30, 2023 and 2022, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village of Junction City's basic financial statements. The basic financial statements comprise three components:

- *Government-wide financial statements.*
- *Fund financial statements.*
- *Notes to the financial statements.*

This report contains other supplementary information in addition to the basic financial statements themselves.

The basic financial statements include two kinds of statements that present different views of the Village:

**Village Of Junction City, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2023**

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Village's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Village's government, reporting operations in more detail than the government-wide statements.
- The governmental fund statement tells how general government services like public safety were financed in the short-term as well as what amounts remain for future spending.
- The proprietary fund statement offers short and long-term financial information about the activities the government operates like businesses, such as the public utilities (water, sewer, sewer treatment systems).

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

In the past, the primary focus of local government financial statements has been summarized fund type information on a current resources basis. However, with the implementation of Statement No. 34 of the Governmental Accounting Standards Board (GASB Statement No. 34) for June 30, 2005, the focus is on both the Village as a whole (government-wide) and the fund financial statements. Each view provides a different snapshot of the Village's finances. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year-to-year or government-to-government) and enhance the Village's accountability.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the Village of Junction City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position and the statement of activities, which are the government-wide statements, include all of the government's assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two government-wide statements report the Village's net assets and how they have changed. Net position – the difference between the Village's assets and liabilities – are one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating.

In the statement of net position and the statement of activities, the Village is divided into two categories:

- Governmental activities – Most of the Village's basic services are included here, such as the activities of the police, garbage and trash collection, park, and general administration. Franchise fees, insurance taxes, traffic fines, and payments from other governments finance most of these activities.

**Village Of Junction City, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2023**

- Business-type activities – The Village charges fees to customers to cover the cost of the services it provides. Water, sewer and sewer treatment are included here. Grants have provided most of the capital assets required for these services.

FUND FINANCIAL STATEMENTS

The format of the fund financial statements will be more familiar to traditional users of government financial statements. The fund financial statements provide more detailed information about the Village's most significant funds – not the Village as a whole. Funds are accounting mechanisms that the Village uses to keep track of specific sources of funding and spending for particular purposes.

The Village has two kinds of funds:

- Governmental funds – Most of the Village's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances remaining at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided on a subsequent page that explains the relationship (or differences) between the government-wide and fund statements.
- Proprietary funds – Services for which the Village charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short-term and long-term financial information. The Village's enterprise funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

The Total Governmental Funds column requires reconciliation because of the different measurement focus from the government-wide statements (current financial resources versus total economic resources) which is reflected at the bottom of each statement. The flow of current financial resources will reflect interfund transfers as other financing sources as well as capital expenditures as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column (in the government-wide statements).

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

The Village's combined net position for the 2022-2023 fiscal year increased by \$18,016. A condensed statement of position for the years ended June 30, 2023 and 2022 is shown below:

**Village Of Junction City, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2023**

For The Year Ended June 30, 2023

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total Primary Government</u>
ASSETS:			
Current and Other Assets	\$ 837,102	\$ 106,206	\$ 943,308
Capital Assets	<u>138,594</u>	<u>1,195,485</u>	<u>1,334,079</u>
Total Assets	<u>\$ 975,696</u>	<u>\$ 1,301,691</u>	<u>\$ 2,277,387</u>
LIABILITIES:			
Other Liabilities	\$ 2,187	\$ 23,762	\$ 25,949
Long-term Debt Outstanding	<u>-</u>	<u>15,942</u>	<u>15,942</u>
Total Liabilities	<u>2,187</u>	<u>39,704</u>	<u>41,891</u>
NET POSITION:			
Invested in Capital Assets Net of Debt	138,594	1,171,187	1,309,781
Restricted	-	39,704	39,704
Unrestricted	<u>834,915</u>	<u>51,096</u>	<u>886,011</u>
Total Net Position	<u>\$ 973,509</u>	<u>\$ 1,261,987</u>	<u>\$ 2,235,496</u>

For The Year Ended June 30, 2022

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total Primary Government</u>
ASSETS:			
Current and Other Assets	\$ 786,818	\$ 79,721	\$ 866,539
Capital Assets	<u>149,941</u>	<u>1,246,498</u>	<u>1,396,439</u>
Total Assets	<u>\$ 936,759</u>	<u>\$ 1,326,219</u>	<u>\$ 2,262,978</u>
LIABILITIES:			
Other Liabilities	\$ 2,155	\$ 19,045	\$ 21,200
Long-term Debt Outstanding	<u>-</u>	<u>24,298</u>	<u>24,298</u>
Total Liabilities	<u>2,155</u>	<u>43,343</u>	<u>45,498</u>
NET POSITION:			
Invested in Capital Assets Net of Debt	149,941	1,222,200	1,372,141
Restricted	-	43,343	43,343
Unrestricted	<u>784,663</u>	<u>17,333</u>	<u>801,996</u>
Total Net Position	<u>\$ 934,604</u>	<u>\$ 1,282,876</u>	<u>\$ 2,217,480</u>

**Village Of Junction City, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2023**

Net Position (assets less liabilities) may serve over time as a useful indicator of a government's financial position. The Village of Junction City's assets exceeded liabilities by \$2,235,496 at the close of the fiscal year. The largest portion of the Village's net position (58.59%) reflects its investment in capital assets. The Village uses these assets to provide services to its citizens and those assets are not available for spending.

Government Activities

Net Position of the Village's governmental activities increased \$38,905 and \$24,409 for the years ended June 30, 2023 and 2022, respectively.

Business-type Activities

Net Position of the Village's business-type activities decreased \$20,889 and \$20,536 for the fiscal years ended June 30, 2023 and 2022, respectively.

Statement of Activities

The following tables show the revenues and expenses of the governmental and business type activities for the fiscal years ended June 30, 2023 and 2022:

For The Year Ended June 30, 2023

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total Primary Government</u>
REVENUES:					
Program Revenues					
Charges for Services	\$ 13,095	\$	186,695	\$	199,790
Operating Grants and Contributions	111,016		-		111,016
Capital Grants and Contributions	-		-		-
General Revenues					
Property Taxes	3,548		-		3,548
Sales Taxes	20,447		-		20,447
Franchise Revenue	11,678		-		11,678
Occupational Licenses	9,865		-		9,865
Interest Earned	3,817		1,017		4,834
Miscellaneous	6,056		-		6,056
Total Revenues	<u>179,522</u>		<u>187,712</u>		<u>367,234</u>

**Village Of Junction City, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2023**

EXPENSES:

General Government	84,728	-	84,728
Public Safety	55,889	-	55,889
Utilities	-	208,601	208,601
Total Expenses	<u>140,617</u>	<u>208,601</u>	<u>349,218</u>
Increase/Decrease in Net Position	38,905	(20,889)	18,016
Net Position Beginning	934,604	1,282,876	2,217,480
Net Position Ending	<u>\$ 973,509</u>	<u>\$ 1,261,987</u>	<u>\$ 2,235,496</u>

For The Year Ended June 30, 2022

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total Primary Government</u>
REVENUES:			
Program Revenues			
Charges for Services	\$ 14,048	\$ 156,833	\$ 170,881
Operating Grants and Contributions	110,149	1,412	111,561
Capital Grants and Contributions	-	-	-
General Revenues			
Property Taxes	5,508	-	5,508
Sales Taxes	18,712	-	18,712
Franchise Revenue	10,026	-	10,026
Occupational Licenses	13,247	-	13,247
Interest Earned	296	82	378
Miscellaneous	7,507	-	7,507
Total Revenues	<u>179,493</u>	<u>158,327</u>	<u>337,820</u>
EXPENSES:			
General Government	112,437	-	112,437
Public Safety	42,647	-	42,647
Utilities	-	178,863	178,863
Total Expenses	<u>155,084</u>	<u>178,863</u>	<u>333,947</u>
Increase/Decrease in Net Position	24,409	(20,536)	3,873
Net Position Beginning	910,195	1,303,412	2,213,607
Net Position Ending	<u>\$ 934,604</u>	<u>\$ 1,282,876</u>	<u>\$ 2,217,480</u>

**Village Of Junction City, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2023**

Governmental Activities

During the fiscal years ended June 30, 2023 and 2022, the major sources of income were:

	<u>2023</u>	<u>2022</u>
• Sales Tax	11%	10%
• Franchise Fees	7%	6%
• Occupational Licenses	6%	7%
• Fines & Forfeitures	7%	8%
• Grant Funds	62%	61%
• Investment Earnings	2%	.16%

Business-type Activities

Total revenues from business-type activities were \$187,712 and \$158,327 for the fiscal years ended June 30, 2023 and 2022.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

The Village of Junction City uses Fund accounting and demonstrates compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Village's combined ending fund balances were \$834,915 and \$784,663 at June 30, 2023 and 2022. The unassigned portions or the portion available for spending were \$834,915 and \$784,663.

Proprietary Funds

The Village's proprietary funds provide the same type information found in the government-wide financial statements, but in more detail.

Net position of the Utilities Enterprise fund were \$1,261,987 and \$1,282,876 at June 30, 2023 and 2022. The fund had operating losses of \$20,889 and \$20,536, for the fiscal years ended June 30, 2023 and 2022, respectively.

**Village Of Junction City, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2023**

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Village of Junction City's investment in capital assets for its governmental and business-type activities as of June 30, 2023 and 2022 amounted to \$1,334,079 and \$1,396,439 and (net of depreciation). This investment includes land, buildings and improvements, equipment, vehicles, water and sewer facilities. The outstanding debt of \$24,298 and \$24,298 is to Louisiana Department of Transportation & Development for utility relocation assistance.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village's management and elected officials considered many factors when preparing the 2023-2024 budget. Revenue sources are projected to be lower with anticipated decreases in occupational licenses and grant funds compared to prior year collections.

REQUEST FOR INFORMATION

This financial report is to provide citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the funds it receives. If you have any questions about this report or need additional information, contact the Village Clerk, Village of Junction City, Louisiana, P.O. Box, 142, Junction City, Louisiana 71749.

Village of Junction City, Louisiana
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$ 254,583	\$ 184,846	\$ 439,429
Investments	398,272	88,838	487,110
Receivables	997	15,772	16,769
Internal Balances	183,250	(183,250)	-
Capital Assets			
Land, Improvements, and Construction in Progress	32,272	1,400	33,672
Other Capital Assets, Net of Depreciation	106,322	1,194,085	1,300,407
Total Assets	<u>\$ 975,696</u>	<u>\$ 1,301,691</u>	<u>\$ 2,277,387</u>
Liabilities and Net Position			
Liabilities			
Accounts Payable and Accrued Expenses	\$ 2,187	\$ -	\$ 2,187
Customer Deposits	-	15,406	15,406
Long-Term Liabilities			
Notes Payable - Due Within One Year	-	8,356	8,356
Notes Payable - Due In More Than One Year	-	15,942	15,942
Total Liabilities	<u>2,187</u>	<u>39,704</u>	<u>41,891</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	138,594	1,171,187	1,309,781
Restricted For:			
Debt Service	-	39,704	39,704
Unrestricted	834,915	51,096	886,011
Total Net Position	<u>973,509</u>	<u>1,261,987</u>	<u>2,235,496</u>
Total Liabilities and Net Position	<u>\$ 975,696</u>	<u>\$ 1,301,691</u>	<u>\$ 2,277,387</u>

See accompanying notes and independent accountants' review report.

Village of Junction City, Louisiana
Statement of Activities
For The Year Ended June 30, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Primary Government	
				Governmental Activities	Business-Type Activities	Total
Primary Government:						
Governmental Activities:						
General Government	\$ 84,728	\$ -	\$ -	\$ 102,616	\$ 17,888	\$ 17,888
Public Safety	55,889	13,095	-	8,400	(34,394)	(34,394)
Total Governmental Activities	<u>\$ 140,617</u>	<u>\$ 13,095</u>	<u>\$ -</u>	<u>\$ 111,016</u>	<u>\$ (16,506)</u>	<u>\$ (16,506)</u>
Business-Type Activities:						
Utilities	\$ 208,601	\$ 186,695	\$ -	\$ -	\$ (21,906)	\$ (21,906)
Total Business-Type Activities	<u>\$ 208,601</u>	<u>\$ 186,695</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,906)</u>	<u>\$ (21,906)</u>
Total Primary Government	<u>\$ 349,218</u>	<u>\$ 199,790</u>	<u>\$ -</u>	<u>\$ 111,016</u>	<u>\$ (16,506)</u>	<u>\$ (38,412)</u>

General Revenues:

Taxes:			
Property Taxes Levied for General Purposes	3,548	-	3,548
Sales Tax Levied for General Purposes	20,447	-	20,447
Franchise Revenues	11,678	-	11,678
Occupational Licenses	9,865	-	9,865
Unrestricted Investment Earnings	3,817	1,017	4,834
Miscellaneous	6,056	-	6,056
Transfers	-	-	-
Total General Revenues and Transfers	<u>55,411</u>	<u>1,017</u>	<u>56,428</u>
Changes in Net Position	<u>38,905</u>	<u>(20,889)</u>	<u>18,016</u>
Net Position - Beginning	<u>934,604</u>	<u>1,282,876</u>	<u>2,217,480</u>
Net Position - Ending	<u>\$ 973,509</u>	<u>\$ 1,261,987</u>	<u>\$ 2,235,496</u>

See accompanying notes and independent accountants' review report.

Village of Junction City, Louisiana
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Total Governmental Funds
Assets		
Cash and Cash Equivalents	\$ 254,583	\$ 254,583
Investments	398,272	398,272
Accounts Receivable	997	997
Due From Other Funds	183,250	183,250
Total Assets	\$ 837,102	\$ 837,102
Liabilities and Fund Balances		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 2,187	\$ 2,187
Total Liabilities	2,187	2,187
Fund Balances		
Unassigned	834,915	834,915
Total Fund Balances	834,915	834,915
Total Liabilities and Fund Balances	\$ 837,102	

Amounts reported for *Governmental Activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds		138,594
Net Position of Governmental Activities		\$ 973,509

See accompanying notes and independent accountants' review report.

Village of Junction City, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2023

	General Fund	Total Governmental Funds
Revenues		
Taxes	\$ 23,995	\$ 23,995
Intergovernmental	111,016	111,016
Licenses and Permits	21,543	21,543
Fines and Forfeitures	13,095	13,095
Miscellaneous	9,873	9,873
Total Revenues	179,522	179,522
Expenditures		
General Government	73,480	73,480
Public Safety	55,790	55,790
Total Expenditures	129,270	129,270
Excess of Revenues over Expenditures	50,252	50,252
Other Financing Sources (Uses)		
Operating Transfers - In	-	-
Operating Transfers - Out	-	-
Total Other Financing Sources (Uses)	-	-
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	50,252	50,252
Fund Balances, Beginning of Year	784,663	
Fund Balances, End of Year	\$ 834,915	
Net Changes in Fund Balances - Total Governmental Funds		50,252
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital assets purchased capitalized		-
Depreciation expense		(11,347)
Changes in Net Position in Governmental Activities		\$ 38,905

See accompanying notes and independent accountants' review report.

Village of Junction City, Louisiana
Statement of Net Position
Proprietary Funds
June 30, 2023

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 145,142
Investments	88,838
Receivables	15,771
Total Current Assets	249,751
Noncurrent Assets:	
Restricted Cash and Investments	39,704
Capital Assets	
Land	1,400
Machinery & Equipment	86,038
Buildings & Improvements	21,056
Waterworks System and Treatment Facilities	2,387,082
Total Capital Assets	2,495,576
Less: Accumulated Depreciation	(1,300,090)
Net Capital Assets	1,195,486
Total Noncurrent Assets	1,235,190
Total Assets	\$ 1,484,941

Liabilities and Net Position

Liabilities	
Current Liabilities	
Accounts Payable	\$ -
Customer Deposits	15,406
Due to Other Funds	183,250
Current Portion - URAF Payable	8,356
Total Current Liabilities	207,012
Noncurrent Liabilities	
URAF Payable - LA DOTD	\$ 15,942
Total Noncurrent Liabilities	15,942
Total Liabilities	222,954
Net Position	
Invested in Capital Assets, Net of Related Debt	1,171,188
Restricted	39,704
Unrestricted	51,095
Total Net Position	1,261,987
Total Liabilities and Net Position	\$ 1,484,941

See accompanying notes and independent accountants' review report.

Village of Junction City, Louisiana
Statement of Revenues, Expenses, and Changes in Net Position
For The Year Ended June 30, 2023

	Business-Type Activities Enterprise Fund
<u>Operating Revenues</u>	
Charges for Services - Water Sales & Sewer Fees	\$ 186,695
Total Operating Revenues	<u>186,695</u>
<u>Operating Expenses</u>	
Depreciation	51,011
Insurance	13,815
Licenses & Permits	3,637
Materials, Repairs & Supplies	72,141
Office Supplies & Expenses	12,102
Payroll Taxes	2,740
Salaries & Wages	36,960
Sample Collections/Testing	2,246
Utilities	13,949
Total Operating Expenses	<u>208,601</u>
Total Operating Income /(Loss)	<u>(21,906)</u>
<u>Non Operating Revenues/(Expenses)</u>	
Interest Income	1,017
Grants	-
Total Non Operating Revenues/(Expenses)	<u>1,017</u>
Net Income Before Operating Transfers	(20,889)
<u>Operating Transfers</u>	
Operating Transfers - In/(Out)	<u>-</u>
Net Income	\$ (20,889)
Net Position, Beginning of Year	1,282,876
Net Position, End of Year	<u><u>\$ 1,261,987</u></u>

See accompanying notes and independent accountants' review report.

Village of Junction City, Louisiana
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2023

	Business-Type Activities Enterprise Fund
<u>Cash Flows From Operating Activities</u>	
Receipts from Customers	\$ 185,989
Payments to Provide Services	(130,889)
Payments to Employees	(36,960)
Net Cash Provided (Used) by Operating Activities	<u>18,140</u>
<u>Cash Flows From Noncapital Financing Activities</u>	
Increase in Customer Deposits	<u>(3,637)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(3,637)</u>
<u>Cash Flows From Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	-
Grant Funds Received	-
Principal Paid on URAF Agreement	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>
<u>Cash Flows From Investing Activities</u>	
Increase in Investments	(1,017)
Purchase of Certificate of Deposit	(20,000)
Interest Earned	1,017
Net Cash Provided (Used) by Investing Activities	<u>(20,000)</u>
Net Increase/(Decrease) in Cash And Cash Equivalents	<u>(5,497)</u>
Cash And Cash Equivalents, Beginning of Year	190,343
Cash And Cash Equivalents, End of Year	<u>\$ 184,846</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities	
Operating Income/(Loss)	\$ (21,906)
<i>Adjustments to Reconcile Net Loss to Net Cash Provided (Used) by Operating Activities:</i>	
Depreciation	51,011
Decrease in Accounts Receivable	(706)
Increase in Accounts Payable	-
Decrease in Due To Other Funds	(10,259)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 18,140</u>

See accompanying notes and independent accountants' review report.

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2023

INTRODUCTION

The Village of Junction City, Louisiana (the Village) consists of an executive branch of government headed by a mayor and a legislative branch of government consisting of three aldermen. The Village's combined balance sheet includes the accounts of all the Village's operations. The Village's major operations include police protection, garbage and trash collection, culture/recreation, highways, streets, and administrative services. In addition, the Village operates a Utility Enterprise Fund to provide water and sewerage services.

The following is a summary of certain significant accounting policies and practices:

Note 1 – Summary of Significant Accounting Policies

The accompanying financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued *Statement 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments and Statement 35 Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. These statements establish new financial reporting requirements for state and local governments and public colleges and universities throughout the United States. They require new information and restructure much of the information that government should have presented in the past. Comparability with reports issued in years prior to 2004 is affected.

Other GASB Statements are required to be implemented in conjunction with GASB Statements 34 and 35. Therefore, the Village has implemented the following GASB Statements: Statement 37 – *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, and Statement 38 – *Certain Financial Statements Note Disclosures*.

The accompanying financial statements present the financial position of the Village and the various funds and fund types, the results of operations of the Village and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2021 and for the year then ended.

Financial Reporting Entity

As the municipal governing authority, for reporting purposes, the Village of Junction City, Louisiana is considered a separate financial reporting entity. This financial reporting entity consists of (a) the primary government, the Village of Junction City, Louisiana, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement 14 established criteria for determining which component units should be considered part of the Village of Junction City, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Village to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2023

impose specific financial burdens on, the Village; Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village; Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship. Based on the previous criteria, the Village has determined that there are no component units that are part of the reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statements of net position and the statements of activities) report information of all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these government-wide statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenues rather than as program revenues. The Village does not allocate general government (indirect) expenses to other functions.

Net position are restricted when constraints placed on them are either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, generally it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end. Principal revenue sources considered susceptible

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2023

to accrual include federal grants, interest on investments, sales and income taxes, and lease payments receivable. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the Village's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the Village.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modification to the accrual basis of accounting include: Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at June 30, 2020 has been reported only in the government-wide financial statements. Interest on general long-term obligations is recognized when paid. Debt service expenditures are recorded only when payment is due.

Proprietary Funds – The financial statements of the proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements described above.

Each proprietary fund has the option under Governmental Accounting Standards Board (GASB), Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting* to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The primary government's enterprise fund has elected to not apply FASBs issued after the applicable date.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fund Accounting

The financial activities of the Village are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Village uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Major Governmental Funds

General Fund – This fund accounts for all activities of the Village not specifically required to be accounted for in other funds. Included are transactions for services such as general government, health services, public safety, regulatory services, and social services.

Proprietary Funds

Water and Sewer Funds – These funds are used to account for the provision of water and sewerage to residents of the Village of Junction City. These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2023

(b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Budgets

The Village uses the following budget practices:

1. In May of each year, the Village clerk submits to the board of alderman a proposed operating budget for the fiscal year commencing the following July. The operating budget includes proposed expenditures and expenses and the means of financing them.
2. In June of each year, the budget is legally enacted through passage of ordinance. The public is invited to attend all meetings.
3. The Village clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures or expenses of any fund must be approved by the board of aldermen.

Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all subsequent adopted amendments.

Cash and Cash Equivalents

Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

For purposes of the Statement of Cash Flows, cash equivalents include all highly liquid investments (including restricted assets) with a maturity date of three months or less when purchased.

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Village's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Short-Term Interest Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

Advances to Other Funds

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2023

Bad Debts

Uncollectible amounts for ad valorem taxes and utility receivables are generally not significant. As a result, the direct write-off method for recognizing bad debts is used. Under this method, the receivable is charged to expense when the account is deemed to be uncollectible.

Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or fair market value at date of gift, if donated.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operation is charged as an expense against operations. Depreciation is computed using the straight-line method. The estimated useful lives are as follows:

Buildings	40 years
Improvements	40-50 years
Equipment	5-10 years

Compensated Absences

The Village does not have a formal leave policy.

Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The nonspendable fund balance classification

includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2023

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Village aldermen – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the

Village aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – This classification reflects the amounts constrained by the Village’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Village aldermen and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Village’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

Total Columns on Combined Statements

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operation, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2 – Cash and Cash Equivalents

Custodial credit risk – deposits. The Village’s cash and certificates of deposit consist of deposits with financial institutions. State statutes govern the Village’s investment policy. Permissible investments include direct obligations of the U.S. Government and agency securities, certificates of deposit, and savings accounts or savings certificates of savings and loan associations and repurchase agreements. In

addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates the local government investment pool. Collateral is required for demand deposits, certificates of deposit, savings certificates of savings and loan associations and repurchase agreements at 100% of all amounts not covered by deposit insurance. Obligations that may be pledged as collateral are obligations of the United States government and its agencies and obligations of the state and its subdivisions. Per Louisiana State law, collateral is not required for funds invested in LAMP.

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2023

The following is a schedule of the Village's cash and certificates of deposit at June 30, 2023. Differences between the Village's balances and the bank balances arise because of the net effect of deposits-in-transit and outstanding checks.

	<u>Book Balance</u>	<u>Bank Balance</u>
Cash on Deposit	\$ 439,429	\$ 440,342
Certificates of Deposit	<u>487,110</u>	<u>487,110</u>
Total	<u>\$ 926,539</u>	<u>\$ 927,452</u>

The Village's deposits are collateralized as follows:

FDIC Insured Deposits	\$ 500,000
Uninsured Deposits:	
Uncollateralized -	
Collateralized	<u>427,452</u>
Total Deposits	<u>\$ 927,452</u>

Credit risk. The Village's only investments are the certificates of deposit mentioned above, therefore the Village is exposed to no credit risk.

Concentration of credit risk. The Village does not limit the amount that may be invested in securities of any one issuer. Applicable state statutes do not place limits on credit concentration.

Interest rate risk. The Village manages its exposure to declines in fair values by limiting the maturity of its investments to not longer than one year.

Note 3 – Investments

At June 30, 2023, the Village's investments consisted of certificates of deposit in the amounts of \$487,110.

Note 4 – Ad Valorem Taxes

Property taxes are assessed and collected on a calendar year. Property taxes attach as an enforceable lien on property as of January 1. Tax notices are usually mailed in November each year and become delinquent after December 31, of that year.

The ad valorem tax millage is 4.93 mills. For the calendar year 2022, the 4.93 mills were levied on property with an assessed valuation totaling \$846,838 and were dedicated entirely for general purposes.

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 5 – Receivables

Receivables at June 30, 2023, consisted of the following:

	General Fund	Enterprise Fund	Total
Accounts Receivable - Customers	\$ 997	\$ 15,772	\$ 16,769
Total	\$ 997	\$ 15,772	\$ 16,769

Note 6 – Restricted Assets

At June 30, 2023, restricted assets were either in the form of demand deposits or certificates of deposit. These assets represent amounts held as follows:

Utility Customer Deposits	\$ 15,406
Debt Service Reserve	24,298
Totals	\$ 39,704

Note 7 – Notes Payable

Long-term debt consists of the following at June 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business Type Activities:					
Notes Payable:					
URAF Payable – LA	\$ 24,298	\$ -	\$ -	\$ 24,298	\$ 8,356
DOTD					
Totals	\$ 24,298	\$ -	\$ -	\$ 24,298	\$ 8,356

The annual debt service requirements to maturity for long-term debt as of June 30 are as follows:

Year Ended June 30,	URAF Payable	
	Principal	Interest
2024	\$ 8,356	\$ -0-
2025	1,594	-0-
2026	1,435	-0-
2027	1,291	-0-
2028	1,162	-0-
Thereafter	10,460	-0-
Totals	\$ 24,298	\$ -0-

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2023

The Village entered into a Utilities Relocation Assistance Funding (URAF) agreement on May 10, 2006. This agreement is for the utility relocation along the U.S. Highway 167 expansion route. The agreement stipulates a minimum annual payment of ten percent (10%) of the principal balance.

Note 8 – Capital Assets

A summary of changes in capital assets follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 32,272	\$ -	\$ -	\$ 32,272
Total capital assets, not being depreciated:	32,272	-	-	32,272
Capital assets, being depreciated				
Buildings & Improvements	346,914	-	-	346,914
Vehicles	286,118	-	-	286,118
Equipment	112,677	-	-	112,677
Total capital assets, being depreciated:	745,709	-	-	745,709
Less accumulated depreciation for:				
Buildings & Improvements	232,185	11,248	-	243,433
Vehicles	286,118	-	-	286,118
Equipment	109,737	99	-	109,836
Total accumulated depreciation	628,040	11,347	-	639,387
Total capital assets, being depreciated, net	117,669	(11,347)	-	106,322
Governmental activities capital assets, net	\$ 149,941	\$ (11,347)	\$ -	\$ 138,594

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2023

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2022
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,400	\$ -	\$ -	\$ 1,400
Construction in Progress	-	-	-	-
Total capital assets, not being depreciated:	1,400	-	-	1,400
Capital assets, being depreciated:				
Buildings & Improvements	21,056	-	-	21,056
Waterworks System and Treatment Facilities	2,387,082	-	-	2,387,082
Machinery and Equipment	86,038	-	-	86,038
Total capital assets, being depreciated:	2,494,176	-	-	2,494,176
Less accumulated depreciation for:				
Buildings & Improvements	14,485	471	-	14,956
Waterworks System and Treatment Facilities	1,164,764	48,739	-	1,213,503
Machinery and Equipment	69,829	1,801	-	71,630
Total accumulated depreciation	1,249,078	51,011	-	1,300,089
Total capital assets, net	1,245,098	(51,011)	-	1,194,087
Business type activities capital assets, net	\$ 1,246,498	\$ (51,011)	\$ -	\$ 1,195,487

Note 9 – Interfund Receivables and Payables

Individual fund interfund receivables and payables at June 30, 2023, were as follows:

Fund	Receivables	Payables
General Fund	\$ 183,250	\$ -
Enterprise Fund	-	183,250
Total	\$ 183,250	\$ 183,250

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 10 – Pension and Retirement Plans

At June 30, 2023, there were no Village employees participating in any of the State retirement systems.

Note 11– Post-employment Health Care Benefits

The Village does not provide medical coverage for its retirees; consequently there is no liability for post-employment health care benefits.

Note 12 – Compensation of Mayor and Alderman

The mayor and alderman of the Village of Junction City, Louisiana, were paid the following amounts during the fiscal year ended June 30, 2023:

Mr. Charles Hogue, Mayor	\$	7,200
Mr. Brant Cupp		1,200
Mr. Melvin Smith		1,200
Mr. Toby Wilson		<u>1,200</u>
Total	\$	<u><u>10,800</u></u>

Note 13 – Subsequent Events

Date of Management Evaluation

Management has evaluated subsequent events through March 22, 2024, the date on which the financial statements were available to be issued.

Village of Junction City, Louisiana
Budgetary Comparison Schedule - General Fund
For The Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
Revenues				
Taxes	\$ 25,000	\$ 25,000	\$ 23,995	\$ (1,005)
Intergovernmental	69,000	69,000	111,016	42,016
Licenses and Permits	25,000	25,000	21,543	(3,457)
Fines and Forfeitures	12,000	12,000	13,095	1,095
Miscellaneous	2,000	2,000	9,873	7,873
Total Revenues	133,000	133,000	179,522	46,522
Expenditures				
General Government	92,139	92,139	73,480	18,659
Public Safety	38,000	38,000	55,790	(17,790)
Total Expenditures	130,139	130,139	129,270	869
Excess of Revenues over Expenditures	2,861	2,861	50,252	47,391
Other Financing Sources (Uses)				
Operating Transfers - In	-	-	-	-
Operating Transfers - Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	2,861	2,861	50,252	47,391
Fund Balances, Beginning of Year	784,663	784,663	784,663	-
Fund Balances, End of Year	\$ 787,524	\$ 787,524	\$ 834,915	\$ 47,391

See accompanying notes and independent accountants' review report.

Village Of Junction City, Louisiana
Notes To Budgetary Comparison Schedule
For The Year Ended June 30, 2023

The Village uses the following budget practices:

1. In May of each year, the Mayor submits to the Board of Aldermen an operating and capital budget for the succeeding year.
2. A public hearing is scheduled by the Mayor and the Board of Aldermen after allowing for at least ten days notice to the public at the time the budget is initially submitted to the Board of Aldermen.
3. Final adoption of the budget by the Board of Aldermen is in June.
4. The Mayor may authorize transfers of budgetary amounts within departments. Any revision requiring alteration of levels of expenditures or transfers between departments must be approved by the Board of Aldermen.
5. Operating appropriations and non-major capital appropriations, to the extent not expended, lapse at year end.
6. All legally adopted budgets of the Village are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgets are adopted for the General Fund and the Utility Enterprise Fund.

Budget comparison statements included in the accompanying financial statements include the original adopted budget and all subsequent adopted amendments.

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:
P. O. Box 2474
West Monroe, LA 71294-2474

Phone (318) 323-1717
Fax (318) 322-5121

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Junction City, Louisiana
P.O. Box 142
Junction City, Louisiana 71749-0142

We have performed the procedures enumerated below, on the Village of Junction City, Louisiana's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2023, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Village's management is responsible for its financial records and compliance with applicable laws and regulations.

The Village has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the Village's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2023. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$60,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), or the regulations of the Division of Administration and the State Purchasing Office, whichever is applicable; and report whether the expenditures were made in accordance with these laws.

There were no expenditures made during the year for materials and supplies exceeding \$60,000.
There were no expenditures made during the year for public works exceeding \$250,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us the requested information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list provided by management for agreed-upon Procedure 3 appeared on the list provided by management for agreed-upon Procedure 2.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided us with the requested information. There were no vendors appearing on both lists for the year ended June 30, 2023.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. Management represented that there were no amendments to the budget during the year.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

We traced adoption of the original budget to documentation in the minutes of the meeting of the board of aldermen held on June 28, 2022. Management represented that there were no amendments to the budget during the year.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budget amounts by 5% or more.

We compared the revenues and expenditures of the budget to actual revenues and expenditures. There were no items meeting these criteria for the year ended June 30, 2023.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

- (a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

We examined supporting documentation for the six disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) Report whether the six disbursements were coded to the correct fund and general ledger account.

All six payments were coded to the correct fund and general ledger account.

- (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Inspection of documentation supporting each of the six selected disbursements indicated approval from the proper authorities. In addition, approval by the full board of alderman was traced to the minutes.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 – 13 (the open meetings law); and report whether there are any exceptions.

We examined copies of notices and agendas for all council meetings held during the fiscal year.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We inspected bank deposits for the fiscal year, and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We scanned payroll disbursements and read the meeting minutes for the fiscal year. We found no payments or approval of payments to employees which would constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Village's report was due on December 31, 2023. The report was not submitted by the due date. A non-emergency extension of time was requested by the Village and approved by the Louisiana Legislative Auditor's Office.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Management represented that the Village was not on the noncompliance list at any time during the fiscal year.

Prior Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

Our prior year report, dated December 27, 2022, disclosed three findings. Management has represented that Finding 2021-01, Segregation of Duties, has not been resolved entirely, due to the small size of the Village's accounting staff. The Mayor and Board of Alderman are involved as much as possible to reduce risks in internal control. Finding 2021-02, Budget Authority and Control, and Finding 2021-03, Related Party Transactions are no longer applicable.

We were engaged by the Village to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's compliance with the foregoing matters. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
March 22, 2024

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

December 15, 2023

Cameron, Hines & Company, APAC
Certified Public Accountants
P.O. Box 2474
West Monroe, LA 71294-2474

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2023 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No N/A

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No N/A

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No N/A

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No N/A

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No N/A

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No N/A

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No N/A

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No N/A

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No N/A

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes No N/A

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes No N/A

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes No N/A

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes No N/A

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No N/A

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No N/A

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes No N/A

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No N/A

We have provided you with all relevant information and access under the terms of our agreement.

Yes No N/A

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No N/A

We are not aware of any material misstatements in the information we have provided to you.

Yes No N/A

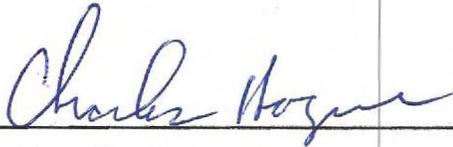
We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes [] No [] N/A [X]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

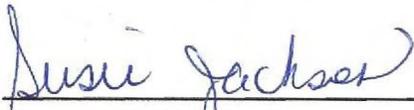
Yes [] No [] N/A [X]

The previous responses have been made to the best of our belief and knowledge.



Mayor December 15, 2023

Charles Hogue, Mayor



Village Clerk December 15, 2023

Susie Jackson, Clerk

**Village of Junction City, Louisiana
Schedule of Findings and Responses
For The Fiscal Year Ended June 30, 2023**

Current Year Findings and Responses

2023-01 Segregation of Duties

Criteria: The Village of Junction City, Louisiana has too few personnel involved in the accounting system to have adequate segregation of duties for internal control.

Condition: It was noted that the Village Clerk is responsible for entering all transactions into the accounting system, including preparing deposits, writing checks, creating utility bills, entering utility payments into the system, and reconciling the bank statements.

Cause: The Village has a small staff size that does not allow for proper segregation of duties.

Effect: The Village does not have adequate segregation of duties and is at a greater risk of not preventing or identifying errors and inappropriate actions that may occur.

Recommendation to Prevent Future Occurrences: It is recommended that the Board of Aldermen become involved with oversight of the accounting function.

Management's Response: The Village will take into consideration this and any other recommendations that will improve internal controls.

2023-02 Late Submission of Financial Statements

Criteria: LA Revised Statute 33:463 requires the Village to produce and transmit an annual financial statement to the Louisiana Legislative Auditor with six months of the close of the fiscal year.

Condition: It was noted that the Village submitted its annual financial statements after the December 31, 2023 due date.

Cause: The Village has a small staff size and did not have its information ready in enough time to meet the deadline.

Effect: The Village is not in compliance with the state law.

Recommendation to Prevent Future Occurrences: It is recommended that the Village produce and submit its financial statements before the statutory deadline.

Management's Response: The Village has taken steps to ensure that it will produce and submit its annual financial statements in a timely manner in the future.

**Village of Junction City, Louisiana
Schedule of Findings and Responses
For The Fiscal Year Ended June 30, 2023**

Prior Year Finding and Responses

There were three findings for the fiscal year ended June 30, 2022:

2022-01 Segregation of Duties

Condition: It was noted that the Village Clerk is responsible for entering all transactions into the accounting system, including preparing deposits, writing checks, creating utility bills, entering utility payments into the system, and reconciling the bank statements.

Recommendation to Prevent Future Occurrences: It is recommended that the Board of Aldermen become involved with oversight of the accounting function.

Status: Not Resolved. See 2023-01.

2022-02 Budget Authority and Control

Condition It was noted that actual expenses on the general fund were more than total budgeted expenses by more than five percent.

Recommendation to Prevent Future Occurrences: We recommend that the Village monitor its budget on a regular basis so that amendments can be made in a timely manner in order to comply with state budget laws.

Status: No longer applicable.

2022-03 Related Party Transactions

Condition: The Village of Junction City, Louisiana wrote two checks totaling \$383 to a company owned by the Village's mayor.

Recommendation to Prevent Future Occurrences: LA Revised Statute 42:1123(22) paragraphs (a) and (b) does allow for an exception for a municipality with a population of five thousand or less, but only if the municipality submits a plan to the Louisiana Board of Ethics for approval and the board of alderman approve the plan as well. We recommend that the Village follow the proper approval process before entering into any other related party transactions.

Status: No longer applicable.

**Village of Junction City, Louisiana
Schedule of Compensation, Reimbursements,
Benefits, and Other Payments to Agency Head
For The Year Ended June 30, 2023**

Schedule 2

Agency Head:

Mayor

**Mayor
Charles
Hogue**

Purpose:

Salary

\$ 7,200

Benefits - Payroll Taxes

551

Reimbursements

123

Total Compensation, Benefits and Other Payments

\$ 7,874

See independent accountants' review report.

**VILLAGE OF JUNCTION CITY
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDED JUNE 30, 2023**

Cash Basis Presentation	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>6/30/2023</u>
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	\$ -
Add: Collections		
Criminal Fines - Other	6,342	6,753
Subtotal Collections	<u>6,342</u>	<u>6,753</u>
Less: Disbursements to Governments & Nonprofits		
Crime Stoppers of Union Parish, Criminal Fines - Other	42	52
LA Commission on Law Enforcement, Criminal Fines - Other	41	51
LDH-THSCI Trust Fund, Criminal Fines - Other	105	130
Treasurer, State of LA-CMIS, Criminal Fines - Other	21	31
Louisiana Supreme Court, Criminal Fines - Other	11	13
Less: Amounts Retained by Collecting Agency		
Criminal Fines - Other - Self Disbursed	6,122	6,476
Subtotal Disbursements/Retainage	<u>6,342</u>	<u>6,753</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	<u>\$ -</u>	<u>\$ -</u>

See independent accountants' review report.